

SUMMARY OF KEY FINDINGS

Consumers today are faced with more decisions about telecommunications products and services than ever before. In addition to being able to choose a variety of services and products, consumers can also choose from a wide variety of suppliers. Competition between telecommunication providers has caused consumers to be inundated with advertisements and offers through every possible means. Additionally, many people are concerned that this competition caused an increase in unauthorized switching of carriers of telephone service, "slamming".

Telephone "Slamming"

Thirty-nine percent of adults in the three markets are aware of the term "slamming". Awareness of slamming is somewhat higher among those in Chicago (42%) and Milwaukee (43%) than it is among those in the Detroit and Grand Rapids areas (35%). Among all adults in the three markets, awareness of the term slamming increases with age and household income.

Specifically, while only 20% of those age 18-29 know the term, 56% of those age 65 and over have heard the term slamming. Furthermore, just 29% of those with a household income of \$15,000 or less know the term slamming compared to 41% of those with a household income greater than \$50,000.

Three in ten adults in the three markets (30%) say they or someone they know has been slammed—that is had their telecommunications company switched without their consent. Self-reported experience with this unauthorized switch is somewhat higher in Chicago (36%) than in Detroit/Grand Rapids (25%) or Milwaukee (23%).

Q815. Have you or has anyone you know ever been “slammed”—that is, had companies switched without their consent—or not?

	3 Market Total	Chicago	Detroit/Grand Rapids	Milwaukee
Base	1512	500	511	501
	%	%	%	%
Yes	30	36	25	23
No	69	64	74	76

Overall in the three markets, the likelihood of having been slammed or knowing someone who has been, increases with household income, level of education, the amount spent on an average phone bill and is higher among Blacks and Hispanics than Whites. Twenty-three percent of those with a household income of \$15,000 or less know someone who has been slammed compared to 35% of those with a household income of \$50,000 or more. Twenty-six percent of those who have at the most a high school education and 32% of those with some college compared to 36% of those who have completed a college education have been or know someone who has been slammed. Twenty-nine percent of those who spend less than \$100 on an average phone bill compared to 37% of those who spend \$100 or more on an average phone have experience with slamming.

Q815. Have you or has anyone you know ever been “slammed”—that is, had companies switched without their consent—or not?

		INCOME				
	3 Market	\$15K or	\$15,001	\$25,001	\$35,001	\$50,001
	Total	less	to \$25K	to \$35K	to \$50K	or more
Base	1512	150	185	194	251	519
	%	%	%	%	%	%
Yes	30	23	27	29	33	35
No	69	77	72	71	66	64

	EDUCATION		
	H.S. or less	Some College	College Grad or more
Base	541	409	549
	%	%	%
Yes	26	32	36
No	73	67	64

AVERAGE MONTHLY BILL			
	Less than \$50	\$50 - \$99	\$100 or more
Base	642	468	277
	%	%	%
Yes	29	29	37
No	70	70	62

	RACE/ETHNICITY		
	White	Black	Hispanic
Base	1147	202	71
	%	%	%
Yes	28	39	42
No	72	59	56

Those who have experience with slamming are nearly equally divided into those whose experience with unauthorized switching of carriers is personal or happened to someone they know. Forty-two percent say their knowledge of slamming comes from personal experience and 51% say the slamming happened to someone they know. Additionally, 6% of those who have knowledge of slamming have experienced this themselves and also know someone who has been slammed.

Q820. Was that you or someone else?

Base: know someone who has been slammed

	3 Market Total	Chicago	Detroit/Grand Rapids	Milwaukee
Base	446	180	144	122
	%	%	%	%
Self	42	44	38	41
Someone else	51	47	59	49
Both	6	8	3	9

The majority of those who have experience with slamming (65%) say the unauthorized switch occurred with long distance service. Six percent say the switch was for regional toll service and 22% say the switch occurred for both types of service.

Q815. Was this slamming done for long distance service, regional toll service or both?

Base: Know someone who has been slammed

	3 Market Total	Chicago	Detroit/Grand Rapids	Milwaukee
Base	446	180	144	122
	%	%	%	%
Long distance	65	64	64	76
Regional toll	6	7	4	1
Both	22	21	26	17

The most common means that one finds out that they have been slammed is by receiving a bill from the new carrier. Eighty percent of those in the three markets with knowledge of slamming say the switch was discovered by receiving a bill for the service from the new carrier. Six percent say a verification call was how the switch was discovered. Three percent report a welcome letter was sent from the new company and 2% a farewell letter was sent from the original company. The majority of those who have experience with slamming in the three markets (59%) say a complaint was filed in response to the unauthorized switch. Eighty percent of those who report a complaint being filed say the issue was resolved satisfactorily.

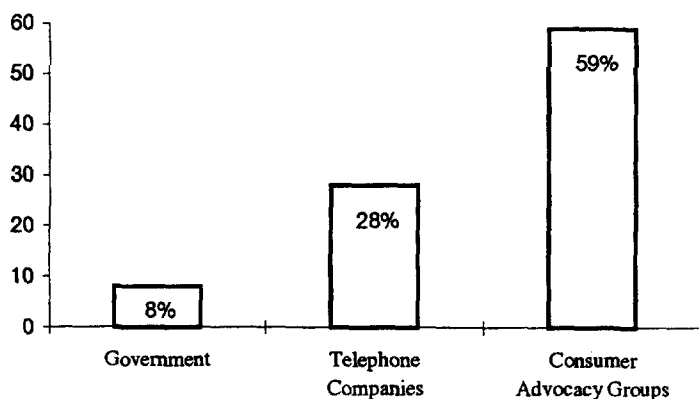
Telecommunications Products and Services

Adults in the three markets receive information about new telecommunications products and services from a wide variety of sources. Eighty-nine percent obtain information from advertising and 80% receive materials about telecommunications products and services in the mail. A substantial majority (69%) say they get information from telemarketing calls. Twenty-four percent get information about new products and services through the Internet.

A great many adults in the three markets (71%) find the offers they receive for new telecommunications products and services to be confusing. Twenty-eight percent find these offers "very confusing" and 43% say they are "somewhat confusing". As a result it is not surprising that 82% believe that consumers have a need for a source of unbiased, clear information about telecommunications products and services. When asked who could best provide consumers with this information, the majority believe that consumer advocacy groups would handle this best, and while some (28%) say that telephone companies would be the best source of this information, very few believe the government should be entrusted with this task.

Q530. Who do you think could best provide consumers with unbiased, clear information about telecommunications products and services? Base:1512

**Perception of Best Source of Information About
Telecommunications Products and Services**



One-stop Shopping

Despite a belief that competition makes prices lower, many adults in the three markets find the idea of being able to purchase all telecommunications products and services from a single vendor to be an attractive proposition. This is not surprising as the majority find that having more than one telephone company makes billing confusing.

- Sixty-five percent of adults in the three markets agree that “competition among telephone companies makes prices lower”, however,
- Sixty-four percent agree that “having more than one telephone company makes billing confusing”.
- If they had the opportunity to purchase all telecommunications services from one vendor, 78% of these adults say they would be “very” or “somewhat” likely to do so.

In the three markets, adults in Detroit/Grand Rapids are less convinced that competition does result in lower prices and those in the Milwaukee area are most likely to be interested in purchasing all telecommunications services from one provider.

Q205b.Competition among telephone companies makes prices lower—do you agree or disagree with that statement?

Q205c. Having more than one telephone company makes billing confusing—do you agree or disagree with that statement?

Q401.If you were able to purchase all you telecommunications services—including local and long distance telephone service, Internet connection and cable service-- from one company, how likely would you be to make that decision-- very likely, somewhat likely, not very likely or not likely at all?

	3 Market Total	Chicago	Detroit/Grand Rapids	Milwaukee
Base	1512	500	511	501
	%	%	%	%
Agree “competition among telephone companies makes prices lower”	65	69	57	71
Agree “having more than one telephone company makes billing confusing”	64	64	66	60
“Very” or “somewhat likely” to purchase all services from one company	78	77	79	83

Billing

The average amount spent on monthly telephone service in the three markets is \$69. Fully one-half of adults in the three markets (50%) have found charges they disputed on their telephone bills. The disputed charges most often involve long distance service (56%), and 11% relate to regional toll calls. Happily for the majority of these customers (79%) the disputed charges were resolved satisfactorily.

Perceptions of the 1996 Telecommunications Act

Very few adults in the three markets say they are at least somewhat familiar (18%) with The 1996 Telecommunications Act. Respondents were given the following explanation of the Act:

“In 1996 the Congress passed and the President signed into law a new telecommunications act. The act was designed to remove barriers to competition among local and long-distance telephone companies, cable operators, and others. Some people have said that this new law would increase competition, lower prices and give consumers new service choices. Others have said that the new law will lead to higher prices, advertising that is confusing to consumers and intrusive telemarketing calls.”

This explanation leads adults in the three markets to no consensus on whether the results of this new law will in fact benefit them. Forty-eight percent believe the new law will as intended result in “increased competition, lower prices and new service choices”, and 45% think the result will be “higher prices, confusing advertising and intrusive telemarketing”.